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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	78528124
Applicant	K&B Underwriters, LLC
Applied for Mark	K&B UNDERWRITERS
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SERIAL NO: 78528124

MARK: K&B UNDERWRITERS

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APPELLANT'S REPLY TO EXAMINING ATTORNEY'S APPEAL BRIEF

Appellant submits the following Reply Brief in response to the Examining Attorney's Appeal Brief dated June 25, 2007 pursuant to TMEP §1501.02(a) and 37 C.F.R. §1.142, and in support thereof states as follows:

Table of Authorities

Cases

Electronic Design & Sales, Inc. v. Electronic Data Systems Corp., 954 F.2d 713

(Fed. Cir. 1992)

GMC v. Keystone Auto. Indus., 453 F.3d 351 (6th Cir. 2006)

Homeowners Group, Inc. v. Home Marketing Specialists, Inc., 931 F.2d 1100 (6th

Cir. 1991)

In re Beatrice Foods Co., 429 F.2d 466, 472 (C.C.P.A 1970)

In re Digirad Corp., 45 U.S.P.Q.2D (BNA) 1841 (TTAB 1998)

In re Dixie Restaurants, Inc., 41 USPQ2d 1531, 1533 (Fed. Cir. 1997)

In re Du Pont de Nemours & Co., 476 F.2d 1357 (C.C.P.A. 1973)

In re Sears, Roebuck and Co., 2 USPQ2d 1312 (TTAB 1987)

In re Shell Oil, 992 F.2d 1204, 1026, 26 USPQ2d 1687 (Fed. Cir. 1993)

Kemp v. Bumble Bee Seafoods, Inc., 398 F.3d 1049 (8th Cir. 2005)

Oreck Corp. v. U.S. Floor Sys., Inc., 803 F.2d 166 (5th Cir. 1986)

Statutes

15 U.S.C. §1052(d)

Regulations

37 C.F.R. 1.142

United States Patent & Trademark Office Rules

TMEP §1501.02(a)

TMEP §1207.01(b)(v)

TMEP § 1207.01(b)(viii)

TMEP §1402.01

TMEP §1402.03

Procedural Posture

Pursuant to pursuant to 15 U.S.C. §1052(d), the examining attorney refused registration of the mark K&B UNDERWRITERS based on likelihood of confusion with

two registered marks, U.S. Registration Numbers 2774497 and 282554, for mortgage lending services in connection with the construction of, and to assist in the purchase of, single family homes and mortgage lending and escrow services in connection with the construction and brokerage of single family and multiple family dwelling units, for KB HOME and KB HOME MORTGAGE.

Applicant filed its appeal brief on April 20, 2007 and the examining attorney filed his brief on June 25, 2007.

Response to Examining Attorney's Appeal Brief

The Courts have made it clear that all circumstances relevant to the issue of likelihood of confusion should be considered. *In re Du Pont de Nemours & Co.*, 476 F.2d 1357 (CCPA 1973) (“The evidentiary elements are not listed above in order of merit. Each may from case to case play a dominant role: we find no warrant for discarding any evidence bearing on confusion.”). *See also In re Shell Oil*, 992 F.2d 1204, 1026, 26 USPQ2d 1687 (Fed. Cir. 1993). As such, the examining attorney's conclusion that similarities in the marks alone are enough to refuse applicant's registration is contrary to the *Du Pont* holding and TMEP § 1207.01(b)(viii). In point of fact, *Du Pont* made it clear that the facts of each case drive the analysis – and those facts should be reviewed in the context of the 13 factors when such factors are shown to be relevant. *In re Dixie Restaurants, Inc.*, 41 USPQ2d 1531, 1533 (Fed. Cir. 1997). When these factors are applied to the facts in this matter, the applicant's goods and services, and actual use of the mark are considered, registration should be allowed because no confusion is likely to result from the applicant's registration of the mark.

Similarity of the Marks

According to the court in *Dupont*, and under the anti-dissection rule, marks should be compared for similarity or dissimilarity *in their entirety* as to appearance, sound, connotation and commercial impression. *In re Du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (CCPA 1973) (emphasis added).

While the disclaimed descriptive words “Underwriters,” “Home Mortgage” and “Home” may carry somewhat less weight in the analysis because of their descriptiveness, the marks must be compared *in their entirety*, including the descriptive portions, when assessing their overall commercial impression as appreciated by a reasonable consumer as to the source of services. Thus, the entirety of “K&B UNDERWRITERS” must be compared to, and is not confusingly similar to, KB HOME or KB HOME MORTGAGE.

The words “Home Mortgage” and “Home” in connection with the marks KB HOME MORTGAGE and KB HOME create an association between the financial services offered in connection with retail, consumer financing of new dwelling units for individual consumers and families.

By definition, the term “underwriter” denotes an entity that engages financial transactions with businesses or governmental entities related to insurance or the issuance of stocks or bonds. The term “underwriters” in connection with the mark K&B UNDERWRITERS creates an association between financial services offered in connection with business to business commercial transactions related to insurance.

Further, the meaning or connotation of a mark must be determined in relation to the named goods or services. Even marks that are identical in sound and/or appearance may create sufficiently different commercial impressions when applied to the respective

parties' different goods or services so that there is no likelihood of confusion. *See TMEP* §1207.01(b)(v) (*citing In re Sears, Roebuck and Co.*, 2 USPQ2d 1312 (TTAB 1987)).

The applicant, K&B Underwriters, Inc. uses its mark K&B UNDERWRITERS, and is applying to register it, only for business to business insurance brokerage services. In sharp contrast, the registrant, KB Home, Inc., uses and has registered its marks KB HOME and KB HOME MORTGAGE for mortgage services associated with retail home purchases by consumers and families.

When the respective marks are compared in their entireties, their overall commercial impression is so different that it is unlikely that a reasonable consumer would conclude that the services offered in connection the marks were from the same source. Rather, purchasers will overlook the shared letters “k” and “b” when encountering the marks K&B UNDERWRITERS, KB HOME, and KB HOME MORTGAGE, and will perceive the obvious differences to conclude that the marks are connected with different sources.

Dissimilarity of the Services

The examiner fails to account for the fact that the applicant, K&B Underwriters, Inc. and the registrant, KB HOME, offer services which are so dissimilar that they do not have the same purchasers. K&B Underwriters seeks to register its mark on “business to business insurance brokerage services” and its purchasers are businesses buying or selling insurance policies. KB Home’s registrations are for “mortgage lending services in connection with the construction of, and to assist in the purchase of, single family and multiple family dwelling units” and “mortgage lending and escrow services in connection with the construction and brokerage of single family and multiple family dwelling units.”

(*emphasis added*). KB Home's purchasers are retail, individual consumers of new housing and mortgages for new housing. The purchasers of the respective entities and the services themselves are so dissimilar that there has been no confusion and there is likely to be no confusion in the marketplace in the future.

The examining attorney's brief argues that the Registrant's normal fields of expansion must also be considered in order to determine whether the registrant's goods or services are related to the applicant's identified goods or services for purposes of analysis under Section 2(d). *See* ¶28, Examining Attorney's Appeal Brief. While this is true, it must be kept in mind that the rights of trademark ownership must be based upon actual use and those rights can be enforced only in areas of existing business influence or probable expansion. *In re Beatrice Foods Co.*, 429 F.2d 466, 472 (C.C.P.A 1970). The expected expansion of a home builder, such as Registrant, is to extend into mortgage lending services associated with the construction of new homes. Registrant already expanded into this field by obtaining the '554 and '497 Registrations. A reasonable consumer would not expect that the Registrant would further expand once again to provide insurance services, especially not business to business insurance services unrelated to new home construction like those offered by Appellant.

The importance of actual use of a mark in connection with goods and services is embodied in TMEP §1402.01 & 1402.03, which require the identification of goods or services to be specific, definite, clear, accurate and concise in addition to avoiding very broad identifications when the applicant does not use the mark on a substantial number of related services within a class.

KB Home defined its services very narrowly to be limited to mortgages to consumers in connection with the purchase of new homes. KB Home's registrations are for "mortgage lending services in connection with the construction of, and to assist in the purchase of, single family and multiple family dwelling units" and "mortgage lending and escrow services in connection with the construction and brokerage of single family and multiple family dwelling units."

According to the Response filed by the Registrant on March 24, 2004 in connection with the application to register KB HOME MORTGAGE, the registrant has been using the mark KB HOME since 1977 in connection with financing consumer new home purchases. In the thirty years since, the registrant has filed no applications, either actual use or intent to use, to expand the mark to include financial services connected to insurance, much less business to business insurance. Because KB Home, Inc. narrowly identified its services as financing new home purchases and has made no attempt in 30 years to expand its mark to include business to business insurance services, KB Home, Inc. should not be entitled to a monopoly over the letters "K" and "B" for all the financial and insurance services in class 36.

Different Purchasers and Their Sophistication and Attentiveness

Dupont holds that one of the factors to consider in any likelihood of confusion analysis is "the conditions under which and buyers to whom sales are made, *i.e.* 'impulse' vs. careful, sophisticated purchasing." *In re Du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973). Circumstances that show differences in relevant purchasers, sophistication of those purchasers, care with which goods and or services are purchased and the expense thereof mitigate against finding that the goods and services are related,

even when they are provided in the same general field. *In re Digirad Corp.*, 45 U.S.P.Q.2D (BNA) 1841 (TTAB 1998).

Likelihood of confusion must be determined by reference to the relevant group of potential consumers or purchasers. Especially after the December 1996 Amendment limiting Applicant K&B Underwriters' services to "business to business insurance brokerage services," it is clear that the potential consumer group for Applicant's services is businesses buying insurance.

However, Registrant KB Home's relevant mortgage services registrations each are qualified and limited by the phrase "construction of...dwelling units" and thus are self-limiting to mortgage services in connection with the construction and sale of new homes. Thus, K&B's relevant potential purchasers primarily are individuals and families seeking to buy new homes

Businesses seeking to eliminate risk by buying insurance typically are not shopping for new residential dwelling units at the same time. Individuals and families shopping for new homes and new home mortgages typically are not shopping for business to business insurance services at the same time. Therefore, there is no relevant group of potential consumers or purchasers that are likely to be encountering and confusing both K&B Underwriters' or its B-2-B insurance brokerage services and KB Homes' or its new home mortgage services, or to believe that the parties' services emanate from the same source.

Here, the services are very different, the purchasers are not the same, and the circumstances surrounding the parties' respective marketing are NOT such that they "would be encountered *by the same purchasers* under circumstances that would give rise

to the mistaken belief that the goods and/or services come from a common source.” See ¶ 16, Examiner’s Appeal Brief.

Business to business insurance purchasers are sophisticated and new home and mortgage purchasers are likely to pay careful attention. While not all home buyers are sophisticated, home mortgages are in most cases the single largest purchase and investment that an individual consumer will engage in, meaning that consumers will pay careful attention to these transactions. Likewise, purchasing business insurance involves large sums of money and high amounts of risk. Because of the large sums of money and risk involved, the buyers of those services are more careful in seeking out the desired services. In the process of seeking out the desired services, the buyers will pay greater attention to the service marks and their respective differences. When services are expensive or unusual, the buyer can be expected to exercise greater care in his or her purchases and there is accordingly less likelihood of confusion. *GMC v. Keystone Auto. Indus.*, 453 F.3d 351 (6th Cir. 2006). See also *Homeowners Group, Inc. v. Home Marketing Specialists, Inc.*, 931 F.2d 1100 (6th Cir. 1991); *Kemp v. Bumble Bee Seafoods, Inc.*, 398 F.3d 1049 (8th Cir. 2005); *Oreck Corp. v. U.S. Floor Sys., Inc.*, 803 F.2d 166 (5th Cir. 1986); *Electronic Design & Sales, Inc. v. Electronic Data Systems Corp.*, 954 F.2d 713 (Fed. Cir. 1992).

The Marks and Services at Issue Have Different Channels of Trade

K&B Underwriters’ B-2-B insurance is sold through wholesale and retail insurance brokers, agents and underwriters. KB Homes’ housing units and mortgages are sold through realtors, mortgage brokers and new home builders. Thus, the parties’ products and services are sold through different channels of trade, and their relevant

marks are not likely to be confusing to different purchasers encountering both parties' marks – if at all -- through different outlets in different industries. The examiner concedes on page 9 of his appeal brief that “applicant has made a convincing showing” that “there are more registered marks covering either insurance brokerage or mortgage lending than covering both.” Indeed, of the registrations covering either insurance brokerage or mortgage lending, less than three percent cover both services. (Applicant’s Appeal Brief at 12). The different trade channels mitigate in favor of finding no likelihood of confusion in this case between K&B UNDERWRITERS and KB HOME or KB HOME MORTGAGE.

Conclusion

In summary, the examining attorney’s refusal to register applicant’s mark K&B UNDERWRITERS in the Final Office Action should be overturned and the application should be allowed to proceed to publication for opposition. The shared letters “K” and “B” alone are not enough to refuse applicant’s registration when the factors enumerated in *Du Pont* are considered. When comparing the marks in their *entirety* in assessing their overall commercial impression as the sources of services, a reasonable consumer is not likely to be confused. Additionally, the respective purchasers and trade channels are very different. The circumstances surrounding their respective marketing are NOT such that they would be encountered *by the same purchasers* under circumstances that would give rise to the mistaken belief that the goods and/or services come from a common source because the parties use different trade channels and have different types of prospective purchasers. The Applicant and the Registrant sell through different trade channels. Business to business insurance purchasers are sophisticated, and mortgage and home

purchasers pay careful attention to what for many is the largest investment in their lives. Lastly, the registrant has made no attempt in 30 years to expand the use of its mark to include insurance services or business to business insurance services, and KB Home should not be entitled to a monopoly of the letters “K” and “B” for all financial and insurance services in class 36.

Respectfully submitted,

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